

Mitsubishi UFJ Financial Group, Inc.

Revision of the MUFG Environmental and Social Policy Framework

Tokyo, April 1, 2025—Mitsubishi UFJ Financial Group, Inc. (MUFG) today announced that it will revise the MUFG Environmental and Social Policy Framework (“the Framework”), which aims to ensure proper consideration for environmental and social impacts in light of the heightening expectations of various stakeholders to address increasingly diverse environmental and social issues.

Link to the Framework: <https://www.mufg.jp/english/csr/policy/index.html>

1. Key changes in the Framework

The revised Framework includes a new section on “Fisheries and Aquaculture” as part of the “Sector specific guidelines” defined under “Transactions of High Caution,” as well as revisions to the guidelines for “Mining (General)” and “Forestry” and additional details on “Biomass power generation.”

(1) Fisheries and Aquaculture

Previous	Revised
Added	<p><u>H) Fisheries and Aquaculture</u></p> <p><u>Fisheries carry the risk of negatively impacting ecosystems and biodiversity through illegal fishing, overfishing, and indiscriminate fishing methods. There are also risks of human rights violations, such as forced labor, child labor, and impacts on the traditional livelihoods of indigenous peoples.</u></p> <p><u>Aquaculture carries the risk of impacting ecosystems and biodiversity through the construction and operation of aquaculture facilities, eutrophication, red tides, and water pollution caused by antibiotics and other chemicals.</u></p> <p><u>When we consider providing financing for these projects, we conduct an assessment of clients to ensure that developments and management are conducted in an environmentally and socially responsible manner by verifying that their activities do not fall under Illegal, Unreported, and Unregulated (IUU) fishing and checking the status of third-party certifications, among other factors.</u></p>

(2) Mining (General)

Previous	Revised
<p>B) Mining</p> <p>a) Mining (General)</p> <p>The mining industry supplies the raw materials used in various industrial products and is indispensable for society and our daily lives. Moreover, as it also supplies materials for renewable energy equipment and batteries, etc., it is an important industry for achieving carbon neutrality.</p> <p>At the same time, MUFG recognizes that consideration must be given to the environmental and social impacts, including impacts on ecosystems and indigenous peoples' communities, and human rights violations, such as child labor or forced labor, of the mineral mining business (mining and mineral beneficiation and the disposal of tailings resulting from those processes).</p> <p>When we consider providing financing for mineral mining businesses, we assess the status of such client's consideration for environmental and social impacts, including impacts on ecosystems and indigenous peoples' communities, and consideration of human rights.</p>	<p>B) Mining</p> <p>a) Mining (General)</p> <p>The mining industry supplies the raw materials used in various industrial products and is indispensable for society and our daily lives. Moreover, as it also supplies materials for renewable energy equipment and batteries, etc., it is an important industry for achieving carbon neutrality.</p> <p>At the same time, MUFG recognizes that consideration must be given to the environmental and social impacts, including impacts on ecosystems and indigenous peoples' communities, and human rights violations, such as child labor or forced labor, of the mineral mining business (mining and mineral beneficiation and the disposal of tailings resulting from those processes).</p> <p>When we consider providing financing for mineral mining businesses, we assess the status of such client's consideration for environmental and social impacts, including impacts on ecosystems and indigenous peoples' communities, and consideration of human rights.</p> <p><u>Furthermore, we will not provide any financing to:</u></p> <ul style="list-style-type: none"> • <u>Mining projects that use the mountaintop removal (MTR) method and have a severe and negative impact on the natural environment.</u> • <u>Mining projects that involve disposal of tailings in rivers, shallow water, or oceans. However, projects that have obtained national permits and approvals may be considered on an individual basis.</u>

(3) Forestry

Previous	Revised
<p>F) Forestry</p> <p>(note5) Large-scale industrial farm means a farm with an area covering 10,000 ha or more, which is cultivating soy, natural rubber, cocoa, coffee, etc. or used for grazing.</p>	<p>F) Forestry</p> <p>(note5) Large-scale industrial farm means a <u>pasture</u> or farm cultivating soy, natural rubber, cocoa, coffee, etc. <u>located in a high conservation value area.</u></p>

(4) Biomass power generation

Previous	Revised
<p>E) Biomass power generation</p> <p>While biomass power generation contributes to supplying clean energy as a renewable energy source, MUFG recognizes that consideration must be given to the environmental and social impacts it has when fuels are produced and processed.</p> <p>When we consider providing new financing for biomass power plants or businesses that process fuels for use at such plants, we conduct an assessment of clients to ensure that developments and management are conducted in an environmentally and socially responsible manner, such as giving due consideration to the conflict between using biomass for fuels and using biomass for food, sustainability of fuels, and lifecycle greenhouse gas emissions.</p>	<p>E) Biomass power generation</p> <p>While biomass power generation contributes to supplying clean energy as a renewable energy source, MUFG recognizes that consideration must be given to the environmental and social impacts it has when fuels are produced and processed.</p> <p><u>For example, in the case of woody biomass power generation, it is important to confirm that primary forests are not being logged during the process of producing the fuel material used for power generation, and that consideration for the human rights of local communities is taken into account.</u></p> <p>When we consider providing new financing for biomass power plants or businesses that process fuels for use at such plants, we conduct an assessment of clients to ensure that developments and management are conducted in an environmentally and socially responsible manner, such as giving due consideration to the conflict between using biomass for fuels and using biomass for food, sustainability of fuels, and lifecycle greenhouse gas emissions.</p>

2. Effective date

The revised Framework will take effect on May 1, 2025.